

# MEMO

**DATE:** December 6, 2007

**TO:** Administration Committee

**FROM:** Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov

**SUBJECT:** CFO Monthly Report

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## **Accounting:**

SCAG's outside independent auditors, Vasquez and Co., LLP, completed their audit fieldwork on October 19. No audit findings have been identified so far. Staff is in the process of preparing the FY07 Comprehensive Annual Financial Report for submission to the Committees.

Staff has reviewed the preliminary report prepared by the SAP consultants concerning SCAG's use of its SAP software. The report found that SCAG has been using SAP in unorthodox ways to meet the requirements imposed by Caltrans during the "high risk" period. Since current conditions are radically different, and current practices do not constitute SAP "best practices", we will work with Caltrans to define more relevant reporting and billing standards and design new processes accordingly. This could involve an SAP upgrade.

The department completed another phase of its cross-training program when both the Manager and one Senior Accountant became proficient in the monthly close process. The preparation of the monthly CPG invoice is the last major function that has no cross-trained staff. A new staff member is currently undergoing that training.

## **Business Operations:**

Staff completed tagging all of SCAG's equipment for the first annual inventory and developed an Access database program to manage equipment inventory system reporting.

Excellent progress was made in emptying vacant cubicles on the 11th Floor previously being used as storage. Also, staff demolished and cleared built-in furniture on the 11th Floor in the area earmarked for construction of an office for the Director of Information Services or a conference room.

BOS Staff installed new metal shelving in the 11th Floor Storage Room for enhanced storage and organization of printer cartridges and other supplies.



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BOS Staff handled the logistics for the RTP workshops held in October. The Print shop also did an excellent job of providing timely preparation of printing RTP related documents as required by the project team.

With less than 24 hour notice, BOS Staff coordinated logistics and set-up for Governor's press conference held at SCAG offices on 10/31.

## **Budget and Grants**

The Budget and Grants Division completed Amendment 2 to the OWP and submitted to Caltrans for their review and approval. Amendment 2 contains projects that were not completed in FY2006-07, adjusts carryover estimates for continuing projects, delete projects that were either completed in FY06-07 and/or reconsidered by SCAG management. Additionally, new subregional projects were added that were deferred from the July OWP due to funding constraints. The net increase is \$730,046 from SCAG's unprogrammed FY07-08 FHWA Planning allocation.

The FY08-09 budget season is underway: Training on the new budget system software was conducted in late November; the FY07-08 Framework was finalized and the workshop was rescheduled for the Administration/Regional Council.

The 1st quarter progress report meeting with Caltrans was conducted on November 29, 2007.

Staff worked with program staff on the development of the Year Three Blueprint Grant application. In addition, two grant applications were received from sub-recipients for the FY 08-09 Caltrans Planning Grant cycle and staff began the review process. The Planning grant submittal deadline is early January. Also, staff attended a two day grant writing workshop.

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## Contracts:

During the month of October, the contracts departments administered 65 contracts, awarded 2 new contracts, issued 3 contract amendments, and issued 1 Requests for Proposal (RFP). Staff also worked with Budget to reorganize OWP projects for January 2008 OWP amendment.

Further, as part of it's on-going strategy to reduce procurement cycle time, staff, presented a Task Order contract and process, designed to enable the agency to expedite procuring some of it's on-going consulting service needs, to Caltrans District 7. Contract staff will present this new contracting strategy to the Contract Subcommittee (re-established at the November 2007 RC meeting). The first meeting of the Contract Subcommittee is targeted for January 2008, and will be finalized after the RC makes committee appointment at its December 2007 meeting.

Submitted by:

  
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*Chief Financial Officer*

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS  
EXPENDITURE REPORT**

FOUR MONTHS ENDED OCTOBER 31, 2007

67% OF FISCAL YEAR REMAINING

	Adopted Budget	Amendment #1	Budget After #1	Amendment #2	Forecast Budget	Expenditures	Encumbrances	Budget Balance	% Budget Remaining
1 Staff & Fringe Benefits	48,083		48,083		48,083	3,872		44,211	92%
2 9914 Indirect Costs	51,771		51,771		51,771	6,063		45,708	88%
3 54300 SCAG Consultants	320,000		320,000		320,000	25,480	242,896	51,624	16%
4 54340 Legal costs	200,000		200,000		200,000		110,000	90,000	45%
6 55600 SCAG Memberships	33,000		33,000		33,000	8,289	50,000	24,711	75%
8 55820 Training	50,000		50,000		50,000				0%
9 55910 RC/Committee Meetings	22,000		22,000		22,000	1,639		20,361	93%
10 55912 RC Retreat	25,000		25,000		25,000			25,000	100%
11 55914 RC General Assembly	25,000		25,000		25,000			25,000	100%
12 55920 Other Meeting Expense	60,000		60,000		60,000	42,596	17,404	(0)	0%
13 55930 Miscellaneous other	49,800		49,800		49,800	3,534	112	46,155	93%
14 55940 Stipend - RC Meetings	130,000		130,000		130,000	45,350		84,650	65%
15 55972 Rapid Pay Fees	1,000		1,000		1,000	375		625	63%
16 55980 Cash Contribution to Projects	330,000		330,000		330,000			330,000	100%
17 56100 Printing	7,500		7,500		7,500			7,500	100%
18 58100 Travel	56,000		56,000		56,000	10,912		45,088	81%
19 58150 Travel - Lodging over max	5,000		5,000		5,000	1,610		3,390	68%
20 58200 Travel - Registration fees	5,000		5,000		5,000	50		4,950	99%
21 58600 NARC Board Expense	3,500		3,500		3,500			3,500	100%
22 58700 RC Approved Costs	18,000		18,000		18,000	4,933		13,067	73%
23 58800 RC Sponsorships	116,500		116,500		116,500	2,850	28,000	85,650	74%
24 <b>Total Gen. Fund</b>	<b>1,557,154</b>	<b>-</b>	<b>1,557,154</b>	<b>-</b>	<b>1,557,154</b>	<b>157,553</b>	<b>448,412</b>	<b>951,190</b>	<b>61%</b>
25 Staff & Fringe Benefits	10,323,466	(22,225)	10,301,241	345,668	10,646,909	3,165,994		7,480,915	70%
27 9914 Indirect Costs	10,792,214	37,909	10,830,123	832,815	11,662,938	3,304,198	107,825	8,250,915	71%
28 54300 SCAG Consultants	12,826,884	(3,000)	12,823,884	(922,274)	11,901,610	416,239	8,003,820	3,481,551	29%
29 54330 Subregional Consultants	2,756,488	235,000	2,991,488	864,784	3,856,272	16,465	2,450,365	1,389,442	36%
31 54400 Subregional Contracts	514,710	15,000	529,710	123,306	653,016	2,119	491,591	159,306	24%
33 55280 Third Party Contribution	3,769,842	(25,264)	3,744,578	377,871	4,122,449			4,122,449	100%
38 55930 Miscellaneous - Other	701,000	-	701,000	-	701,000	31,581	148,472	520,947	74%
40 56100 Printing	108,000	55,000	163,000	-	163,000	2,748	50,579	109,673	67%
41 58100 Travel	199,000	6,000	205,000	(3,000)	202,000	33,068		168,932	84%
43 <b>Total Other Funds</b>	<b>41,991,604</b>	<b>298,420</b>	<b>42,290,024</b>	<b>1,619,170</b>	<b>43,909,194</b>	<b>6,972,412</b>	<b>11,252,652</b>	<b>25,684,130</b>	<b>58%</b>
44 <b>Grand Total</b>	<b>43,548,758</b>	<b>298,420</b>	<b>43,847,178</b>	<b>1,619,170</b>	<b>45,466,348</b>	<b>7,129,964</b>	<b>11,701,064</b>	<b>26,635,320</b>	<b>59%</b>